

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7004**

**BILL NUMBER:** SB 392

**NOTE PREPARED:** Jan 9, 2005

**BILL AMENDED:**

**SUBJECT:** Tax exemption for aircraft maintenance.

**FIRST AUTHOR:** Sen. Zakas

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill specifies that the property tax exemption for commercial passenger aircraft not subject to the aircraft excise tax in a county having a population of more than 200,000 and less than 400,000 applies despite the presence of the aircraft in the county for a purpose in addition to the purpose of maintenance.

**Effective Date:** January 1, 2006.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under current law, most commercial passenger aircraft is assessable as personal property. The value of the aircraft is apportioned to Indiana on the basis of ground time in Indiana compared with ground time outside of Indiana. Commercial passenger aircraft in Allen County and St. Joseph County is currently exempt from property taxation if the aircraft is located in the county solely for the purpose of maintenance.

This bill would allow the exemption to continue while the aircraft is in for maintenance even if the aircraft carries passengers when it arrives and when it departs. There would likely be very little or no fiscal impact to this provision unless the owners of currently non-exempt aircraft that carry passengers regularly to and from

these counties begin to perform maintenance on the aircraft while in Allen and St. Joseph Counties. Any fluctuation in assessed valuation would cause tax shifts from property receiving an exemption to all other property.

**State Agencies Affected:**

**Local Agencies Affected:** Allen County and St. Joseph County.

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.